



BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE  
International Trade Administration  
[A-549-502]

Circular Welded Carbon Steel Pipes and Tubes from Thailand: Preliminary Results of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the antidumping duty order on circular welded carbon steel pipes and tubes from Thailand. This review covers the respondents, Pacific Pipe Public Company Limited (Pacific Pipe) and Saha Thai Steel Pipe (Public) Company, Ltd. (Saha Thai). The Department preliminarily determines that sales of circular welded carbon steel pipes and tubes have been made below normal value (NV) during the March 1, 2010, through February 28, 2011 period of review (POR). The preliminary results are listed below in the section titled “Preliminary Results of Review.” Interested parties are invited to comment on these preliminary results.

EFFECTIVE DATE: [Insert the date of the publication of the Federal Register].

FOR FURTHER INFORMATION CONTACT: Jacqueline Arrowsmith or Andrew Huston, AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5255 or (202) 482-4261, respectively.

## SUPPLEMENTARY INFORMATION:

### Background

On March 11, 1986, the Department published in the Federal Register an antidumping duty order on circular welded carbon steel pipes and tubes from Thailand. See Antidumping Duty Order: Circular Welded Carbon Steel Pipes and Tubes from Thailand, 51 FR 8341 (March 11, 1986). On March 1, 2011, the Department published a notice of opportunity to request an administrative review of the order. See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review, 76 FR 11197 (March 1, 2011). On March 23, 2011, and March 31, 2011, respectively, Pacific Pipe and Saha Thai requested that the Department conduct an administrative review of their sales of circular welded carbon steel pipes and tubes from Thailand in the U.S. market. On March 31, 2011, Wheatland Tube Company, a producer of the domestic like product, requested that the Department conduct an administrative review of Pacific Pipe and Saha Thai. On April 27, 2011, the Department initiated an administrative review of Pacific Pipe and Saha Thai. See Initiation of Antidumping and Countervailing Duty Administrative Reviews, 76 FR 23545 (April 27, 2011).

On May 26, 2011, the Department issued an antidumping duty questionnaire to Pacific Pipe. On June 14, 2011, Pacific Pipe submitted its Section A response. On June 16, 2011, Pacific Pipe requested an extension of time to respond to Sections B and C of the initial questionnaire until July 1, 2011. On June 29, 2011 Pacific Pipe requested an additional extension to submit its initial response to Sections B and C of the initial questionnaire, which the Department approved by letter on July 1, 2011. On July 11, 2011, Pacific Pipe submitted its responses to Sections B and C.

During the course of Pacific Pipe's only previous review, a new shipper review, no domestic interested party filed a below cost allegation with the Department. See Certain Welded Carbon Steel Pipes and Tubes from Thailand; Final Results of Antidumping Duty New Shipper Review, 75 FR 4529 (January 28, 2010). Thus, the Department did not initially issue Section D of the questionnaire to Pacific Pipe. However, a domestic interested party submitted an allegation of sales below cost at the outset of this administrative review. Based on our analysis of the allegation, we found that there were reasonable grounds to believe or suspect that Pacific Pipe's sales of pipes and tubes in its home market were made at prices below the cost of production (COP). Accordingly, pursuant to section 773(b) of the Tariff Act, we initiated a sales-below-cost investigation to determine whether sales were made at prices below COP. See Memorandum to Barbara E. Tillman from the Team, "Petitioner's Allegations of Sales Below the Cost of Production for Pacific Pipe Public Company Limited," dated October 17, 2011.

Thus, on October 18, 2011, we issued Section D of the questionnaire to Pacific Pipe. On December 7, 2011, Pacific Pipe submitted its response to Section D. We issued supplemental questionnaires to Pacific Pipe from September 2011 through February 2012 to which Pacific Pipe timely responded.

On May 11, 2011, the Department issued a questionnaire to Saha Thai. On May 24, 2011, Saha Thai requested an extension of time to respond to Section A of the questionnaire; we granted this extension in a letter dated May 25, 2011. On June 13, 2011, Saha Thai submitted its response to Section A of the original questionnaire. On June 28, 2011, the Department granted Saha Thai until July 11, 2011, to submit its response to Sections B, C, and D of the Department's original questionnaire; on July 11, 2011, Saha Thai submitted its response to Sections B, C, and D. On December 21, 2011, the Department issued an additional supplemental

questionnaire for Sections A, B, and C. On January 5, 2012, the Department issued an additional extension until January 12, 2012. On December 28, 2011, the Department issued a Section D supplemental questionnaire. On January 9, 2012, we granted Saha Thai an extension until January 26, 2012, to respond to the Section D supplemental questionnaire. On February 6, 2012, the Department issued an additional supplemental questionnaire for Section D. On February 14, 2012, the Department issued an additional supplemental questionnaire for Sections B and C. On February 16, 2012, the Department granted Saha Thai an extension for submitting both the narrative and data portions of the Section B, C, and D supplemental questionnaires and on February 27, 2012, Saha Thai submitted responses. On March 20, 2012, the Department issued an additional supplemental questionnaire for Section D, which is currently due on April 10, 2012. This response will be considered for the final results of review.

#### Scope of the Order

The products covered by the antidumping order are certain circular welded carbon steel pipes and tubes from Thailand. The subject merchandise has an outside diameter of 0.375 inches or more, but not exceeding 16 inches. These products, which are commonly referred to in the industry as “standard pipe” or “structural tubing” are hereinafter designated as “pipes and tubes.” The merchandise is classifiable under the Harmonized Tariff Schedule of the United States (HTSUS) item numbers 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085 and 7306.30.5090. Although the HTSUS subheadings are provided for convenience and purposes of U.S. Customs and Border Protection (CBP), our written description of the scope is dispositive.

#### Period of Review

The POR is March 1, 2010, through February 28, 2011.

### Comparisons to Normal Value

To determine whether sales of circular welded carbon steel pipes and tubes from Thailand were made at less than NV, we compared the export price (EP) of both Pacific Pipe's sales and Saha Thai's sales made to unaffiliated customers in the United States to NV, as described below in the "Normal Value" section of this notice. In accordance with section 777A(d)(2) of the Tariff Act of 1930, as amended (the Act), we compared the EP of individual transactions to monthly weighted-average NVs.

### Product Comparisons

Pursuant to section 771(16) of the Act, we determined products described in the "Scope of the Order" section, above, sold by Pacific Pipe and Saha Thai in Thailand during the POR to be foreign like products for purposes of determining appropriate product comparisons to U.S. sales. We have relied on six criteria to match U.S. sales of subject merchandise to comparison-market sales: grade, size (nominal pipe size), wall thickness, schedule of pipe sold, surface finish, and end finish. Where there were no sales of identical merchandise in the home market to compare to U.S. sales, we compared U.S. sales to home market sales of the most similar foreign like product on the basis of the characteristics listed above.

In order to make the product comparisons more accurate, we have made some adjustments to the ordering of codes reported by both Pacific Pipe and Saha Thai for the "grade" characteristic. For more information, see Memorandum to the File from Andrew Huston, "Analysis Memorandum of Pacific Pipe Public Company Limited for the Preliminary Results of the Antidumping Duty Administrative Review of Circular Welded Carbon Steel Pipes and Tubes from Thailand for the Period 03/01/2010 through 02/28/2011," dated concurrently with this notice (Pacific Pipe Preliminary Analysis Memorandum), and Memorandum to the File from

Jacqueline Arrowsmith, “Analysis Memorandum of Saha Thai Steel Pipe (Public) Company, Ltd. for the Preliminary Results of the Antidumping Duty Administrative Review of Circular Welded Carbon Steel Pipes and Tubes from Thailand for the Period 03/01/2010 through 02/28/20011,” dated concurrently with this notice (Saha Thai Preliminary Analysis Memorandum). Interested parties will have 10 days from the date of publication of these preliminary results to submit new factual information to be considered with respect to the changes made by the Department to the matching criteria. Comments on the product comparisons used in these preliminary results as well as comments on any new factual information should be included in the case and rebuttal briefs.

Date of Sale

*Pacific Pipe*

The Department normally uses the date of invoice as the date of sale, as recorded in the exporter’s or producer’s records kept in the ordinary course of business, unless a different date better reflects the date on which the material terms of sale are established. See 19 CFR 351.401(i). For Pacific Pipe, we preliminarily determine that no departure from our standard practice is warranted. For purposes of this review, we examined whether Pacific Pipe’s reported invoice date for its home market sales and its pro forma invoice date for its U.S. sales were the appropriate dates of sale. The record for Pacific Pipe does not indicate that material terms of sale are established at an earlier or later date in the sales process than the invoice date in the home market and the pro forma invoice date in the U.S. market.<sup>1</sup> Therefore, we preliminarily determine that the two invoice dates reported by Pacific Pipe as its dates of sale are the appropriate dates of sale.

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<sup>1</sup> The “pro forma invoice” is used only in the U.S. market. Its purpose relates to the letters of credit used to pay for U.S. sales. While a separate commercial invoice is issued later in the sales process for U.S. sales, the terms of sale are fixed in the “pro forma invoice.”

### *Saha Thai*

For Saha Thai, we preliminarily determine that contract date is the appropriate date of sale for U.S. sales in this administrative review because it best represents the date upon which the final material terms of sale were established. This is consistent with the most recently completed administrative review of this proceeding. See Circular Welded Carbon Steel Pipes and Tubes from Thailand: Preliminary Results and Rescission, in Part of Antidumping Duty Administrative Review, 75 FR 18788, 18790 (April 13, 2010) (2008-2009 Preliminary Results), unchanged in Circular Welded Carbon Steel Pipes and Tubes from Thailand: Final Results of Antidumping Duty Administrative Review, 75 FR 64696 (October 20, 2010)(2008-2009 Final Results). In the home market, the date of invoice is when material terms of sale are established. Therefore, we are using the invoice date as the date of sale for home market sales. This is consistent with the most recently completed administrative review of this proceeding. Id.

Margin Calculation

### Export Price

### *Pacific Pipe*

The Department based the price of all U.S. sales of subject merchandise by Pacific Pipe on EP as defined in section 772(a) of the Act because the merchandise was sold by Pacific Pipe to an unaffiliated purchaser in the United States before importation. We calculated EP based on the FOB port price charged to the unaffiliated purchaser in the United States. See section 772(c) of the Act. We made adjustments to price for domestic inland freight, inland insurance, and domestic inland brokerage reported by Pacific Pipe.

Section 772(c)(1)(B) of the Act states that EP should be increased by the amount of any import duties “imposed by the country of exportation which have been rebated, or which have not been collected, by reason of the exportation of the subject merchandise to the United States. . . .” Pacific Pipe claimed an adjustment to EP for the duties rebated or exempted on its imports of hot-rolled steel coil. In determining whether an adjustment should be made to EP for this rebate or exemption, we look for a reasonable link between the duties imposed and those rebated or exempted. We do not require that the imported input be traced directly from importation through exportation. We do require, however, that the company meet our “two-pronged” test in order for this addition to be made to EP. The first element is that the import duty and its rebate or exemption be directly linked to, and dependent upon, one another; the second element is that the company must demonstrate that there were sufficient imports of the imported material to account for the duty drawback or exemption granted for the export of the manufactured product. See, e.g., Saha Thai Steel Pipe (Public) Co. v. United States, 635 F.3d 1335, 1340-1341 (Fed. Cir. 2011).

Pacific Pipe did not demonstrate how it met the second prong of our “two-pronged” test. Specifically, despite being given three opportunities to do so, Pacific Pipe did not demonstrate how the imported material was sufficient to account for the total of the import duties rebated or exempted for the export of the manufactured product during the relevant time period. Thus, we are not making an adjustment for a duty drawback rebate or exemption.

Pacific Pipe submitted information about the Blue Corner Rebate and requested a duty drawback adjustment for this program as well on relevant sales. For these preliminary results, we are not making an adjustment to EP because Pacific Pipe did not provide information to show



how the Blue Corner Rebate fulfills each of the two prongs of our two-pronged test described above.

*Saha Thai*

We classified all of Saha Thai's sales to its U.S. customers as EP sales because, pursuant to section 772(a) of the Act, we found that Saha Thai is not affiliated with its distributors, which are the first purchasers in the United States. In accordance with section 772(c)(2) of the Act, we made deductions from the gross unit price for foreign inland freight, foreign brokerage and handling, foreign inland insurance, foreign warehousing, ocean freight, lighterage charges, U.S. brokerage and handling charges, and U.S. duties. In our review of the sales contracts, we learned that gross unit price contained freight revenue. We used the information contained in these sales contracts in conjunction with the sales database to derive an invoice-specific freight revenue amount for each transaction where freight revenue was incurred. We are following our normal practice with regard to capping the amount of freight revenue allowed by the amount of the freight expense incurred. See, e.g., Certain Orange Juice from Brazil: Final Results of Antidumping Duty Administrative Review and Notice of Intent to Revoke Antidumping Duty Order in Part, 75 FR 50999 (August 18, 2010) and accompanying Issues and Decision Memorandum at Comment 2.

Saha Thai claimed an adjustment to EP for the duties exempted on its imports of hot-rolled steel coil into a bonded warehouse. As explained above, in determining whether an adjustment should be made to EP for this exemption, we have a "two-pronged" test. Saha Thai has provided information that demonstrates that it meets both prongs of our "two-pronged" test. Therefore, for these preliminary results, we are making an upward adjustment to export price for these duty exemptions. See Saha Thai Preliminary Analysis Memorandum.

## Normal Value

### A. Selection of Comparison Market

To determine whether there was a sufficient volume of sales of pipes and tubes in the home market to serve as a viable basis for calculating NVs, we compared the volume of each respondent's home market sales of the foreign like product to the volume of its U.S. sales of the subject merchandise, in accordance with section 773(a)(1) of the Act. In accordance with section 773(a)(1)(B) of the Act, and 19 CFR 351.404(b), because both Pacific Pipe's and Saha Thai's aggregate volume of home market sales of the foreign like product was greater than five percent of the aggregate volume of U.S. sales of the subject merchandise, we find that the home market is viable for comparison purposes for both respondents. See Pacific Pipe's questionnaire response, dated June 14, 2011, at Exhibit 1; Pacific Pipe's supplemental questionnaire response, dated October 24, 2011, at Exhibit S2-1; Saha Thai's questionnaire response, dated June 13, 2011, at Exhibit A-1; and Saha Thai's supplemental questionnaire response, dated July 11, 2011, at Exhibit A-1.

### B. Affiliated Party Transactions and the Arm's-Length Test

#### *Pacific Pipe*

Pacific Pipe did not have sales to affiliates in the home market.

#### *Saha Thai*

The Department's practice with respect to the use of home market sales to affiliated parties for NV is to determine whether such sales are at arm's-length prices. To examine whether home market sales were made at arm's length, we compared on a product- and level of trade (LOT)-specific basis the starting price of sales to affiliated customers to the starting price of sales to unaffiliated customers, net of all movement charges, direct selling expenses, discounts

and packing. Where the prices to the affiliated party were, on average for all products, within a range of 98 to 102 percent of the same or comparable merchandise to all unaffiliated parties, we determined that all of the sales made to that affiliated party were at arm's length. See Antidumping Proceedings: Affiliated Party Sales in the Ordinary Course of Trade, 67 FR 69186, 69187 (November 15, 2002). Where the affiliated party did not pass the arm's-length test, the Department excluded all sales to that affiliated party from the NV calculation. With certain exceptions, because such sales were either consumed by the affiliate or were in insignificant volumes, in accordance with 19 CFR 351.403(d), we did not rely on downstream sales in place of the excluded sales to the affiliate. For the exceptions, we relied on downstream sales reported by the affiliated reseller.

#### C. Cost of Production Analysis

We examined the cost data for both Pacific Pipe and Saha Thai and determined that our quarterly cost methodology was not warranted. Therefore, we have applied our standard cost methodology, using POR costs based on the reported data, adjusted as described below.

##### *Pacific Pipe*

As discussed above, we initiated a sales-below-cost investigation regarding Pacific Pipe's sales in this review. In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of Pacific Pipe's cost of materials and fabrication for the foreign like product, plus amounts for selling, general and administrative (SG&A) expenses, interest expenses, and home market packing costs. Details regarding the calculation of COP, including adjustments made to the COP reported by Pacific Pipe, as well as other calculation details, can be found in the Pacific Pipe Preliminary Analysis Memorandum, with attached SAS program logs and outputs, and the Memorandum from James Balog to Neal M. Halper, "Cost of Production and Constructed Value

Calculation Adjustments for the Preliminary Results – Pacific Pipe Public Company Limited,” dated concurrently with this notice (Pacific Pipe Preliminary Cost Memorandum).

We revised Pacific Pipe’s reported costs as follows. We increased Pacific Pipe’s reported general and administrative (G&A) expenses to include relevant expenses incurred by its parent company. See Pacific Pipe Preliminary Cost Memorandum. We revised Pacific Pipe’s financial expense ratio calculation to be based on its consolidated financial statements rather than its unconsolidated financial statements as reported. We increased Pacific Pipe’s reported cost of manufacturing (COM) to adjust for an unexplained difference between its reported production quantities and the production quantities included in its normal books and records. We increased Pacific Pipe’s reported COM to account for an unreconciled difference between its submitted costs and the costs recorded in its normal books and records. For CONNUMs which were sold but not produced, we used the Department’s normal model match analysis to determine the cost of the most similar product produced during the POR.

#### *Saha Thai*

We found that Saha Thai made sales below cost in the most recently completed segment of this proceeding in which Saha Thai was examined, and such sales were disregarded. See 2008-2009 Preliminary Results, 75 FR at 18792, unchanged in 2008-2009 Final Results. Thus, in accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of Saha Thai’s cost of materials and fabrication for the foreign like product, plus amounts for SG&A expenses, interest expenses, and home market packing costs. Details regarding the calculation of COP, including adjustments made to the COP reported by Saha Thai, as well as other calculation details can be found in the Saha Thai Preliminary Analysis Memorandum, with attached SAS program logs and outputs, as well as the Memorandum from LaVonne Clark to Neal M. Halper

“Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Results – Saha Thai Steel Pipe (Public) Company, Ltd.,” dated concurrently with this notice (Saha Thai Preliminary Cost Memorandum).

We disallowed Saha Thai’s reported scrap offset because it included revenues from sales of non-prime merchandise. We increased Saha Thai’s reported painting labor costs to reflect the higher of transfer or market prices in accordance with section 773(f)(2) of the Act. We also increased Saha Thai’s reported COM for the unreconciled difference between the reported costs and Saha Thai’s normal books and records. We revised the numerator of Saha Thai’s G&A expense ratio to exclude profit from galvanizing services, duty refunds for hot-rolled coil purchased prior to the POR, and insurance claims for damaged goods related to specific sales. We revised the denominator of the G&A expense ratio to include the cost of sales and services less movement costs, packing expenses, and zinc scrap offsets. For reasons explained in the business proprietary cost memorandum, we set Saha Thai’s financial expense ratio to zero. For more information on the changes to Saha Thai’s COP, see Saha Thai Preliminary Cost Memorandum.

#### D. Cost of Production Test

For both respondents, we compared the revised COP figures to home market prices on a product-specific basis, net of applicable billing adjustments, discounts and rebates, movement charges, selling expenses, and packing, to determine whether home market sales had been made at prices below COP. In determining whether to disregard home market sales made at prices below COP, we examined, in accordance with sections 773(b)(1)(A) and (B) of the Act, whether, within an extended period of time, such sales were made in substantial quantities, and whether

such sales were made at prices which did not permit the recovery of all costs within a reasonable period of time in the normal course of trade.

In accordance with section 773(b) of the Act, where less than 20 percent of a given product was sold at prices less than COP, we disregarded no below-cost sales of that product, because the below-cost sales were not made in “substantial quantities.” However, we disregarded the below-cost sales that: (1) have been made within an extended period of time (within six months to one year) in substantial quantities (20 percent or more), as defined by section 773(b)(2)(B) and (C) of the Act; and (2) were not made at prices which permit recovery of all costs within a reasonable period of time, as prescribed by section 773(b)(2)(D) of the Act. Accordingly, we determined to disregard certain of Pacific Pipe’s and Saha Thai’s sales in the calculation of NV because (1) 20 percent or more of a given product was sold at prices less than COP and (2) based on our comparison of prices to weighted-average COP values for the POR, they were made at prices that would not permit recovery of all costs within a reasonable period of time. We used the remaining home market sales for both Pacific Pipe and Saha Thai as the basis for determining NV, in accordance with section 773(b)(1) of the Act. See Pacific Pipe Preliminary Analysis Memorandum and Saha Thai Preliminary Analysis Memorandum.

#### E. Constructed Value

In accordance with section 773(a)(4) of the Act, we used constructed value (CV) for Pacific Pipe as the basis for NV when there were no above-cost and contemporaneous sales of identical or similar merchandise in the comparison market. We calculated CV in accordance with section 773(e) of the Act. We included the cost of materials and fabrication, SG&A expenses, and profit. In accordance with the Act, we based SG&A expenses and profit on the amounts incurred and realized by Pacific Pipe in connection with production and sale of the

foreign like product in the ordinary course of trade for consumption in the home market. For selling expenses, we used the weighted-average home market selling expenses. We made the same adjustments to Pacific Pipe's reported costs as noted in the COP section above. See Pacific Pipe Preliminary Cost Memorandum.

After disregarding certain home market sales priced below cost, as described above, home market sales of contemporaneous identical and similar products existed that allowed for price-to-price comparisons for all U.S. sales for Saha Thai. Therefore, the Department did not rely on CV for its dumping margin calculations for Saha Thai for these preliminary results. See Saha Thai Preliminary Analysis Memorandum.

#### F. Price-to-Price Comparisons

##### *Pacific Pipe*

We calculated NV based on packed prices to unaffiliated customers in the home market. We used Pacific Pipe's adjustments and deductions as reported. We made deductions, where appropriate, for foreign inland freight pursuant to section 773(a)(6)(B) of the Act. We also made adjustments for differences in circumstances of sale (COS) for home market and U.S. credit expenses in accordance with section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410. We deducted home market packing costs and added U.S. packing costs, in accordance with sections 773(a)(6)(A) and (B) of the Act, respectively. Finally, where applicable, we made adjustments for differences in costs attributable to differences in the physical characteristics of the sales matched, pursuant to section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.410.

##### *Saha Thai*

We calculated NV based on Saha Thai's home market net price. We used Saha Thai's discounts and movement expenses as reported. We made deductions, where appropriate, for

foreign inland freight and warehousing expenses. Pursuant to section 773(a)(6)(C)(iii) of the Act and 19 CFR 351.410, we made a COS adjustment for home market and U.S. credit expenses, as well as U.S. bank charges. We deducted home market packing costs and added U.S. packing costs, in accordance with sections 773(a)(6)(A) and (B) of the Act, respectively. Finally, where applicable, we made adjustments for differences in costs attributable to differences in the physical characteristics of the sales matched, pursuant to section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.410.

#### Level of Trade

Pursuant to section 773(a)(1)(B)(i) of the Act, to the extent practicable, NV is normally the price that is in the home market that is at the same LOT as the EP. The NV LOT is that of the starting-price sale in the comparison market, or when NV is based on CV, that of the sales from which we derive SG&A and profit. For EP, the U.S. LOT is the level of the starting-price sale, which is usually from exporter to importer. To determine whether NV sales are at a different LOT than EP sales, we examine stages in the marketing and selling functions along the chain of distribution between the producer and unaffiliated customer. If the comparison market sales are at a different LOT, and the difference affects the price comparability, as manifested in a pattern of consistent price differences between sales at different levels of trade in the country in which NV is determined, we make an LOT adjustment under section 773(a)(7)(A) of the Act and 19 CFR 351.410(c). See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa, 62 FR 61731 (November 19, 1997).



### *Pacific Pipe*

In the home market, Pacific Pipe reported its sales to several customer categories through two channels of distribution: ex-factory and direct shipments from Pacific Pipe to its customer. Pacific Pipe reported that the selling functions in the home market do not differ between the two channels of distribution nor among different customer categories. See Pacific Pipe supplemental questionnaire response, dated October 24, 2011, at Exhibit S2-3. In the U.S. market, Pacific Pipe reported that the selling functions (other than freight) are identical to the selling functions in the home market. Our preliminary analysis of Pacific Pipe's responses indicates selling functions do not vary significantly by customer category,<sup>2</sup> channel of distribution, or market. While there is a difference between the home and U.S. markets in terms of arranging freight, this difference appears insignificant. For a full analysis, see "Level of Trade" section in the Pacific Pipe Preliminary Analysis Memorandum.

### *Saha Thai*

For the U.S. market, Saha Thai reported only one LOT for its EP sales. For its home market sales, Saha Thai reported that its sales to unaffiliated customers were at the same LOT as its U.S. sales. However, Saha Thai reported that, if the Department used the downstream sales of any of its affiliated resellers, these sales were made at a distinct LOT. Thus, it claims, in such circumstances, its home market would consist of two LOTs. As such, Saha Thai provided information about the marketing and selling functions performed by the affiliated resellers for their sales to unaffiliated customers. See Saha Thai's Section A questionnaire response, dated June 13, 2011 at 20-28 and Exhibit A-9.

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<sup>2</sup> While there is no evidence on the record indicating differences in selling functions depending on customer category, the Department intends to ask for additional information in a post-preliminary supplemental, as it appears some customers would typically require a greater level of assistance than others. We intend to require Pacific Pipe to clarify its responses indicating that no distinctions at all among customers.

Our preliminary analysis of Saha Thai's responses indicates selling functions do not vary significantly by customer category<sup>3</sup> or market, but do vary by distribution channel. Specifically, we preliminarily find that Saha Thai sold at two LOTs in the home market (sales directly to customers and sales through affiliated resellers), and at one LOT in the U.S. market (sales directly to customers).<sup>4</sup> For our complete analysis, see "Level of Trade" section in the Saha Thai Preliminary Analysis Memorandum; see also 2008-2009 Preliminary Final Results, 75 FR at 18792-93, unchanged in 2008-2009 Final Results. The Saha Thai Preliminary Analysis Memorandum includes the Department's conclusions in chart form indicating how selling functions vary by distribution channel, and how they do not otherwise vary by customer or market. However, because we were able to match all U.S. sales to home market sales at a comparable LOT, no LOT adjustment was necessary.

#### Currency Conversions

Pursuant to section 773A(a) of the Act and 19 CFR 351.415, we made currency conversions for Pacific Pipe and Saha Thai sales based on the daily exchange rates in effect on the dates of the relevant U.S. sales as certified by the Federal Reserve Bank of New York.

#### Preliminary Results of Review

As a result of our review, we preliminarily determine the following weighted-average dumping margin exists for the period March 1, 2010, through February 28, 2011.

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<sup>3</sup> While there is no evidence on the record indicating differences in selling functions depending on customer category, the Department intends to ask for additional information in a post-preliminary supplemental, as it appears some customers would typically require a greater level of assistance than others. We intend to require Pacific Pipe to clarify its responses indicating that no distinctions at all among customers.

<sup>4</sup> As discussed above, we excluded sales to several affiliated resellers that did not pass the arm's-length test. For one remaining affiliated reseller, whose sales also did not pass the arm's-length test, we used downstream sales reported by the affiliated reseller.

Manufacturer/Exporter	Weighted-Average Dumping Margin (percent)
Pacific Pipe Public Company Limited	5.81 %
Saha Thai Steel Pipe (Public) Company, Ltd.	1.23 %

#### Assessment Rates

The Department shall determine, and CBP shall assess, antidumping duties on all appropriate entries. The Department intends to issue assessment instructions to CBP 15 days after the date of publication of the final results of review. For assessment purposes, where Pacific Pipe or Saha Thai reported the entered value for its sales, we will calculate importer-specific (or customer-specific) ad valorem assessment rates based on the ratio of the total amount of the antidumping duties calculated for the examined sales to the total entered value of those same sales. See 19 CFR 351.212(b). However, where Pacific Pipe or Saha Thai did not report the entered value for its sales, we will calculate importer-specific (or customer-specific) per unit duty assessment rates.

#### Cash Deposit Requirements

The following deposit requirements will be effective for all shipments of circular welded carbon steel pipes and tubes from Thailand entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review, as provided for by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for the company under review will be the rate established in the final results of this review (except, if the rate is zero or de minimis, i.e., less than 0.5 percent, no cash deposit will be required); (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter

is not a firm covered in this review, a prior review, or the less than fair value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous review or the LTFV investigation, the cash deposit rate will be the “all other” rate of 15.67 percent established in the LTFV investigation. See Antidumping Duty Order: Circular Welded Carbon Steel Pipes and Tubes From Thailand, 51 FR 8341 (March 11, 1986). These deposit rates, when imposed, shall remain in effect until further notice.

#### Disclosure and Public Comment

We will disclose the calculations used in our analysis to parties in this review within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). Any interested party may request a hearing within 30 days of the publication of this notice in the Federal Register. Parties submitting written comments must submit them pursuant to the Department’s e-filing regulations. See <https://iaaccess.trade.gov/help/IA%20ACCESS%20User%20Guide.pdf> or Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures, 76 FR 39263 (July 6, 2011). If a hearing is requested, the Department will notify interested parties of the hearing schedule.

Interested parties are invited to comment on the preliminary results of this review. Unless extended by the Department, interested parties must submit case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, which must be limited to issues raised in the case briefs, must be filed not later than five days after the time limit for filing case briefs. See 19 CFR 351.309(c) and (d). Parties who submit case briefs or rebuttal briefs in this review

are requested to submit with each argument: (1) a statement of the issue, (2) a brief summary of the argument, and (3) a table of authorities. Executive summaries should be limited to five pages total, including footnotes.

We intend to issue the final results of this administrative review, including the results of our analysis of issues raised in the written comments, within 120 days of publication of these preliminary results in the Federal Register, unless otherwise extended. See section 751(a)(3)(A) of the Act.

#### Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

These preliminary results of administrative review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

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Paul Piquado  
Assistant Secretary  
for Import Administration

March 30, 2012  
Date

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